



# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## EMPLOYMENT TRENDS

In February, Seaport's *Nonfarm Payroll Jobs* increased by 120 from January 2004, rising from 26,160 to 26,280. From February 2003, a decrease of 560 was recorded. February's month-over-month increase, though slight, was still welcome when year-over-year decreases were recorded. *Construction, Professional & Business Services*, and *Education* all posted increases that were not anticipated and brightened the local economic picture.

## SPECIAL TOPIC: Covered Employers

Covered employers include all employers covered by Idaho's Unemployment Insurance law. This law covers approximately 92 percent of employers in Idaho. The number of employers decreased in two of the largest counties in North Central Idaho, Latah and Nez Perce Counties, between 1999 and 2003, as shown in Seaport Table 2. Although the total number of covered employees for the region decreased from 1999 to 2003, new employers are emerging. A common trend throughout North Central Idaho is that most new employers are small, with fewer than 10 employees. The number of large employers, those with 100 or more employees, has decreased in the past five years.

## AREA DEVELOPMENTS

### Clearwater County

- Watco Companies, Inc., of Pittsburg, Kansas, purchased the Camas Prairie RailNet and began operations in Clearwater County on March 1, renaming the line to the Great Northwest Railroad. The 177-mile line runs from Riparia, Washington, to Lewiston, then continues to Kooskia and Orofino. Watco Companies have been operating the largest shortline railroad in Idaho, the Eastern Idaho Railroad headquartered in Twin Falls, and the largest shortline in Washington, the Palouse River & Couleee City Railroad headquartered in Rosalia, Washington. "We have operated railroads in Idaho and Washington for 14 years and believe in the customers, the communities, and the future of this region of Amer-

Seaport Table 1: Labor Force & Employment  
Nez Perce County, Idaho and Asotin County, Washington

	Feb 2004*	Jan 2004	Feb 2003	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	36,350	36,130	36,610	0.6	-0.7
Unemployment	1,300	1,240	1,400	4.8	-7.1
% of Labor Force Unemployed	3.6	3.4	3.8		
Total Employment	35,050	34,890	35,210	0.5	-0.5
<b>Unadjusted</b>					
Civilian Labor Force	36,510	36,260	36,730	0.7	-0.6
Unemployment	1,700	1,630	1,820	4.3	-6.6
% of Labor Force Unemployed	4.7	4.5	5.0		
Total Employment	34,810	34,630	34,910	0.5	-0.3
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	26,280	26,160	26,840	0.5	-2.1
<b>Goods-Producing Industries</b>	4,340	4,310	4,280	0.7	1.4
Natural Resources & Mining	210	210	200	0.0	5.0
Construction	970	930	980	4.3	-1.0
Manufacturing	3,160	3,170	3,100	-0.3	1.9
Wood Product Manufacturing	550	560	590	-1.8	-6.8
Food Manufacturing	50	60	90	-16.7	-44.4
Paper Manufacturing	1,200	1,200	1,130	0.0	6.2
Other Manufacturing	1,360	1,350	1,290	0.7	5.4
<b>Service-Providing Industries</b>	21,940	21,850	22,560	0.4	-2.7
Trade, Transportation & Utilities	5,370	5,420	5,380	-0.9	-0.2
Wholesale Trade	600	590	640	1.7	-6.3
Retail Trade	3,530	3,570	3,470	-1.1	1.7
Utilities	90	90	80	0.0	12.5
Transportation & Warehousing	1,150	1,170	1,190	-1.7	-3.4
Information	350	350	380	0.0	-7.9
Financial Activities	1,830	1,820	1,860	0.5	-1.6
Professional & Business Services	1,380	1,330	1,400	3.8	-1.4
Education & Health Services	3,940	3,910	3,990	0.8	-1.3
Leisure & Hospitality	2,490	2,470	2,480	0.8	0.4
Other Services	1,070	1,040	1,080	2.9	-0.9
Government Education	2,300	2,260	2,470	1.8	-6.9
Government Administration	2,340	2,380	2,720	-1.7	-14.0
Government Tribes	870	870	800	0.0	8.8

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Seaport Table 2: Number of Covered Employers by County/Area and Year in North Central Idaho.

County/Area	1999	2000	2001	2002	2003
CLEARWATER	340	344	345	339	343
IDAHO	552	554	569	567	576
LATAH	1,015	988	976	951	982
LEWIS	168	168	175	175	174
NEZ PERCE	1,341	1,326	1,310	1,298	1,286
<b>North Central Idaho TOTAL</b>	<b>3,415</b>	<b>3,380</b>	<b>3,374</b>	<b>3,329</b>	<b>3,361</b>

ica," said Rick Webb, Watco's President and CEO. Watco Companies operates shortline railroads and railroad services in 23 states with more than 900 employees. Founded in 1983, Watco is one of the largest privately held railroad companies in the United States.

#### **Idaho & Lewis Counties**

- Work is progressing on the Clearwater Basin Project Act (Senate Bill 433), Idaho legislation designed to provide for enhanced forest stewardship management within the Clearwater and Nez Perce National Forests. The act is modeled after the Resource Advisory Committees (RACs), established by the Craig-Wyden Bill and by recommendations from Idaho's Federal Lands Task Force. S. 433 would empower a committee of local residents and experts to work with the U.S. Forest Service to direct management of 2.7 million acres of national forest. "This legislation offers a solution to the problems that involves the local residents—those who know the forest best," said Idaho Senator Larry Craig, one of the act sponsors. An infestation of mountain pine beetles has killed several trees and has been steadily increasing in the Elk City area. This results in increased fuel loads that could spark dangerous fires and adds to forest health concerns.
- Late in summer 2004 trains will again be traversing the canyons from Spalding to Cottonwood, according to Stan Patterson, manager of the BG&CM Railroad. Though the schedule to reopen the line has experienced delays, Patterson said a realistic goal is to be operational for harvest this fall. Patterson and his business partner, Cody Dodson, have contracted with line owner Mike Williams to operate a freight train on the historic line. The line was abandoned in September 2000 by Camas Prairie RailNet, which continued to operate the lines east of Lewiston to Jaype and Kooskia. Watco Companies purchased those lines in early March, changing the name to Great Northwest Railroad. The biggest problem holding up the BG&CM, Patterson said, is the locomotive purchased to run on the Camas Prairie line was first temporarily lost by Burlington Northern-Santa Fe. "They had to move it from one side of Kansas City to the other and they lost it," he said. When it was found, inspection in the shop showed the engine was in need of more repair work than originally planned, which further delayed the project.

#### **Latah County**

- With record high prices of gasoline and diesel affecting motorists across the nation, it's no wonder some people are attracted to the idea of growing their own fuel. As the technology of the alternative fuel called biodiesel continues to evolve, the possibility of producing it may become a reality. Biodiesel is used at the University of Idaho (UI) where it powers university vehicles and the Vandal Trolley, which is used for special events. The UI biodiesel program uses oil

extracted from mustard seed. Soybeans and waste fats from restaurants and rendering plants also can be used as biodiesel oil sources. At a recent biodiesel symposium at UI, petroleum geologist Ken Deffeyes of Princeton University said, "It looks like the world is now, or will soon be, on the downhill side of the petroleum era." As supplies decrease, prices can be expected to rise and even spike upward from time to time. A particularly cold winter in the Northeast or further trouble in the Middle East, for example, will mean a rapid movement upward in prices, Deffeyes said. "It's part of what economists call 'queuing theory.' As supply reaches its maximum, and demand is eating up all that supply, you either have nobody waiting in line (for fuel) or else everybody is lined up for it," Deffeyes said. "I like to say that the good news is that Saudi Arabia is no longer controlling the world price of oil. But the bad news is that nobody is controlling the price of oil." Because biodiesel is not derived from petroleum, it is insulated from the predicted decline in world petroleum production. Although the price of biodiesel is relatively high, it may become cheaper relative to petroleum diesel, and its price also may be more constant, Deffeyes said.

#### **Nez Perce County**

- Regence BlueShield of Idaho, one of Lewiston's largest private employers, has lost the medical insurance contract for the state of Idaho to Blue Cross of Idaho, a Boise competitor. The contract covers 48,000 people, including those who work at state correctional institutions, Idaho Department of Health and Welfare, and all Idaho institutions of higher learning other than the University of Idaho. The state contract has been Regence's largest in Idaho and will become the largest of Blue Cross of Idaho, according to spokeswoman of the two insurance providers. Regence has held the contract since the mid-1970s. The state contract represented about 18 percent of Regence's 260,000 customers in 2003. If Regence doesn't find replacement customers, the loss will lower Regence's customer base to about the level of the early 1990s.
- In a related development, Regence officials have said that no decision has been made about the future of the proposed 55,000-square-foot office at the Port of Lewiston Technology Park, south of Home Depot. Last fall when John Stellmon took over as president of Regence BlueShield of Idaho, he said Regence expected to decide on the project this spring. The building is supposed to house employees from Regence's Bryden Avenue location in Lewiston. It would also have 100 to 150 new employees that would serve new accounts from Regence affiliates in Idaho, Washington, Oregon and Utah.

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